

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A8603

SPONSOR: Fitzpatrick

TITLE OF BILL: An act to amend the civil service law, in relation to improper employer practices relating to the continuation of pay, vacations, holidays, leaves of absences and health care; to amend the education law in relation to employer contributions to certain retirement plans; to amend civil service law, in relation to disputed agreements; and to amend the retirement and social security law, in relation to establishing a defined contribution plan and in relation to certain binding arbitration awards.

PURPOSE: To provide state and local government fiscal relief by providing for the codification of the Triborough Doctrine, offer the SUNY optional retirement plan to all state and local employees and teachers, and place a limitation on binding arbitration agreements.

SUMMARY OF PROVISIONS:

Section 1. Amends the Triborough law by limiting the items which may not be altered by an employer to the terms of an expired agreement that relate to salaries, but not step increases, leaves of absences, active employees health insurance, holidays and all other mandatory subjects of bargaining as defined by the Public Employee Relation Board case law prior to its conversion.

Section 2&3. Amends the Education Law to allow state and local employees and teachers the option of joining the SUNY optional retirement system.

Section 4. Limits binding arbitration awards to a maximum of 2% for all compensation items subject to negotiation.

Section 5. Creates a defined contribution plan for non-civil service employees and elected officials of the state who would otherwise be a member of the state and local employees' retirement system.

Section 11. Effective date.

JUSTIFICATION: Currently, localities are being strangled fiscally by the high costs of retirement benefits that continue to grow even when limits are placed on pay increases. Binding arbitration also adds to localities' cost of doing business because arbitrators typically do not take into consideration the employers' ability to pay increases to all the items subject to binding arbitration. Amending the Triborough Amendment to codify the Triborough law will protect workers' salaries and benefits but also provide motivation to unions who represent state and local workers to negotiate new contracts in good faith. Allowing state and local employees and teachers to have the option of joining the SUNY optional retirement system will provide employers with a known cost for their contribution to the employees retirement as well as giving the employee a portable retirement account that can be moved from one employer to another should the employee decide to change jobs. Finally, a new defined contribution plan is established or all elected officials and non-civil service employees that they can take with them when their tenure or appointment is concluded.

LEGISLATIVE HISTORY: New bill

FISCAL IMPLICATIONS: To be determined.

EFFECTIVE DATE: Immediately.